



DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-7011-N-38]

30-Day Notice of Proposed Information Collection: FHA Lender Approval, Annual Renewal, Periodic Updates and Required Reports by FHA-Approved Lenders

AGENCY: Office of the Assistant Secretary for Housing- Federal Housing Commissioner, HUD.

ACTION: Notice.

SUMMARY: HUD is seeking approval from the Office of Management and Budget (OMB) for the information collection described below. In accordance with the Paperwork Reduction Act (PRA), HUD is requesting comment from all interested parties on the proposed collection of information. The purpose of this notice is to allow for 30 days of public comment.

DATES: Comments Due Date: **[INSERT DATE THAT IS 30 DAYS AFTER THE DATE OF PUBLICATION IN THE FEDERAL REGISTER].**

ADDRESSES: Interested persons are invited to submit comments regarding this proposal.

Comments should refer to the proposal by name and/or OMB Control Number and should be sent to: Colette Pollard, Reports Management Officer, QDAM, Department of Housing and Urban Development, 451 7th Street, SW, Room 4176, Washington, DC 20410-5000; telephone 202-402-3400 (this is not a toll-free number) or email at Colette.Pollard@hud.gov for a copy of the proposed forms or other available information. Persons with hearing or speech impairments may access this number through TTY by calling the toll-free Federal Relay Service at 800-877-8339.

FOR FURTHER INFORMATION CONTACT: Volky Garcia, Director, Lender Approval and Recertification Division, Office of Lender Activities and Program Compliance, Office of Single Family Housing, U.S. Department of Housing and Urban Development, 490 L'Enfant Plaza East, SW,

Room P3214, Washington, DC 20024-8000; email Volky.A.Garcia@hud.gov, or telephone 202-402-8229. This is not a toll-free number. Persons with hearing or speech impairments may access this number through TTY by calling the toll-free Federal Relay Service at 800-877-8339.

Copies of available documents submitted to OMB may be obtained from Ms. Pollard.

SUPPLEMENTARY INFORMATION: This notice informs the public that HUD has submitted to OMB a request for approval of the information collection described in Section A. The Federal Register notice that solicited public comment on the information collection for a period of 60 days was published on March 12, 2019 at 84 FR 8888.

A. Overview of Information Collection

Title of Information Collection: FHA Lender Approval, Annual Renewal, Periodic Updates and Required Reports by FHA-Approved Lenders.

OMB Approval Number: 2502-0005.

Type of Request: Revision of a currently approved collection.

Form Number: Online form (previously HUD-92001-A) and Annual Certification, with no corresponding number.

Description of the need for the information and proposed use: Title II of the National Housing Act, as amended, 12 U.S.C. 1703, 1709, and 1715b, 42 U.S.C. 1436(a) 3535(d), authorizes the Secretary of HUD to prescribe terms and conditions with respect to mortgage insurance under the above act. Criteria for approval to become a Title I lender and/or Title II mortgagee, as well as requirements to maintain that approval, are specified in 24 CFR 202, 24 CFR 203.433, 24 CFR 203.434 and Handbook HUD 4000.1, which became effective on September 14, 2015. The requirements in Handbook HUD 4000.1 represent the consolidation of those previously set forth in Handbooks HUD 4700.2 & 4060.1 and various Title I Letters and Mortgagee Letters.

31 U.S.C. § 7701, the Debt Collection Improvement Act of 1986, authorizes “the head of an agency administering an included Federal loan program” to collect taxpayer identifying numbers for “a lender or servicer in a Federal guaranteed or insured loan program administered by the agency.” Executive Order 9397, as amended by Executive Order 13478, also authorizes federal departments and agencies to use Social Security Numbers “as a system to organize and identify individual persons.”

The information is used by FHA to verify that lenders meet all approval, renewal and compliance requirements at all times. It is also used to assist FHA in managing its financial risks and to protect consumers from lender noncompliance with FHA regulations.

The figures below were updated by using Fiscal Year 2018 annual lender approval and recertification submission data. This revision reflects a decrease in the entire OMB approval number burden hours which is attributable to a change in the annual certification responses.

Respondents (i.e. affected public): Regulatory or compliance

Estimated Number of Respondents: 2,852

Estimated Number of Responses: 18,982

Frequency of Response: Annual/Periodic

Average Hours per Response: 1 hour

Total Estimated Burdens: 13,231

In addition to the 60 days of public comment that HUD provided on this information collection, HUD also provided the public an opportunity to comment on the FHA Annual Lender Certification through FHA’s Office of Single Family Housing “Drafting Table” at https://www.hud.gov/program_offices/housing/sfh/SFH_policy_drafts. HUD received comments that the annual certification statements require overly broad attestation of regulatory and Handbook provisions which already require strict compliance with all HUD regulations and requirements necessary to maintain the Mortgagee’s FHA approval as codified in 24 CFR 202.5. Generally, the commenters recommended

that HUD: (1) rescind the annual certification statements since the National Housing Act does not require certification of compliance with FHA eligibility requirements or completion of an annual certification; or (2) revise the annual certification statements to a general acknowledgement of the existence of policies and procedures that are reasonably designed to ensure material compliance. In response to the feedback and recommendations, HUD developed a streamlined FHA Annual Lender Certification attached as Appendix A.

B. Solicitation of Public Comment

This notice is soliciting comments from members of the public and affected parties concerning the collection of information described in Section A on the following:

(1) Whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility;

(2) The accuracy of the agency's estimate of the burden of the proposed collection of information;

(3) Ways to enhance the quality, utility, and clarity of the information to be collected; and

(4) Ways to minimize the burden of the collection of information on those who are to respond; including using the appropriate automated collection techniques or other forms of information technology, e.g., permitting electronic submission of responses. HUD encourages interested parties to submit comment in response to these questions.

C. Authority: Section 3507 of the Paperwork Reduction Act of 1995, 44 U.S.C. Chapter 35.

Date: August 9, 2019

Colette Pollard
Department Reports Management Officer
Office of the Chief Information Officer

Billing Code: 4210-67

Appendix A.

**FHA LENDER ANNUAL CERTIFICATION STATEMENTS
(All Mortgagees)**

DRAFT as of 7/29/2019

1. I acknowledge that I am a Corporate Officer of the abovementioned Mortgagee (hereinafter referred to as "the Mortgagee") authorized to execute these certifications and acknowledgements on behalf of the Mortgagee.
2. I certify that, during the Certification Period, the Mortgagee, or any Corporate Officer (as defined at HUD Handbook 4000.1 I.A.3.c.iv.(B)) was not:
 - a) Subject to a suspension, debarment, or under a Limited Denial of Participation (LDP); or
 - b) Refused or had revoked, any license necessary to conduct normal operations in the mortgage loan industry by any State(s) (as defined at 12 U.S.C. § 1707(d)) in which the Mortgagee will originate insured mortgages or Title I loans.
3. I certify that during the Certification Period the Mortgagee was not sanctioned by any State(s) (as defined at 12 U.S.C. § 1707(d)) in which the Mortgagee will originate insured mortgages or Title I loans.
4. I certify that the preceding statements are materially correct to the best of my knowledge.

WARNING: This warning applies to all certifications made in this document.

Anyone who knowingly submits a false claim, or makes false statements is subject to criminal and civil penalties, including confinement for up to 5 years, fines, and civil penalties. 18 U.S.C. §§ 287, 1001 and 31 U.S.C. §3729